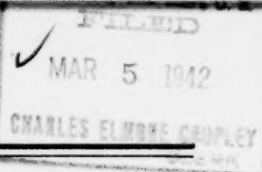


(12)



SUPREME COURT OF THE UNITED STATES

October Term, 1941

Hand
No. 1012

SOUTHERN STEEL COMPANY, *Petitioner,*

VS.

BUTEX GAS COMPANY AND BUTANE GAS SYSTEM
COMPANY

PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE FIFTH CIRCUIT.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE FIFTH CIRCUIT.

To the Honorable, the Chief Justice, and Associate Justices of the Supreme Court of the United States:

Your petitioner, Southern Steel Company, respectfully prays for writ of certiorari to the Circuit Court of Appeals for the Fifth Circuit, to review a judgment of that court entered on December 5, 1941 in the above cause.

STATEMENT OF THE MATTER INVOLVED

This is a patent infringement suit brought by your petitioner as owner of Patent No. 2,121,675.¹ The District Court at Houston, Texas held the patent valid and infringed, the respondents were enjoined and damages assessed.²

The Circuit Court, in an opinion reported in 123 Fed. (2d) 954 held that the patent was invalid on the ground that the device did not amount to invention but was instead an unpatentable aggregation.³

JURISDICTION

This Court has jurisdiction because the decision of the Circuit Court is in conflict with the law established by the Supreme Court in the case of *Krementz vs. S. Cottle Co.*, and other pronouncements of the Supreme Court⁴; and the question involved is important because the decision of the Circuit Court is contrary to the philosophy of the American patent system; and such opinions allowed to stand will shortly destroy it.

1. Granted to Loyd J. White, June 21, 1938, for "Combination Fitting for Gas Dispensing Systems."

Tr. 693 wherein a copy of this patent is bound.

2. Tr. 37.

3. Tr. 873-878.

4. *Krementz vs. S. Cottle Co.*, 148 U. S. 556, 37 L. Ed. 558.
Diamond Rubber Co. vs. Consolidated Rubber Tire Co., 220 U. S. 428, 31 Sup. Ct. 444, 55 L. Ed. 527.
Smith vs. Snow, 294, U. S. 1.

QUESTIONS PRESENTED

The questions here presented are these:

A. Is there invention in the making of a unitary fitting with valved branches, the whole comprising a single, seamless, one piece, hollow casting to be mounted on a single standpipe over a buried storage tank for the handling and dispensing of highly inflammable and explosive petroleum fuel gases, where the new device has the following advantages:⁵

1. Stronger and safer (eliminating joints, threads and welding and preventing leaks and explosion hazards).⁶

2. Lighter and cheaper (using less material, the body being hollow and compact and taking the place of a multiplicity of fittings many times its weight).⁷

3. Easier and less expensive to install (the fitting being assembled at the factory and installed in the field with one simple connection).⁸

4. Added protection to gauge glass (upwardly extending integral branches of the fitting surrounding the gauge glass like fingers).⁹

5. These advantages appear from testimony of:

a. Inventor, White (Tr. 93-115).

b. Manufacturer, Mills, (Tr. 385-389).

c. Former engineer for Underwriters Laboratories, Norway, (Tr. 377-381).

d. The patent itself, No. 2,121,675 (Tr. 688).

6. Tr. 93-94, 99-100, 109-110.

7. Tr. 93-100, 113, 377-381, 385-389.

8. Tr. 115, 377-381, 385-389.

9. Tr. 114, 132, 137.

5. Easier to repair (the branches of the fitting pointing upward to the repairman, being more readily accessible from above).¹⁰

6. Safer to repair (these upward looking branches having safety check valves therein preventing the inflammable fluid from escaping during repair or after accident).¹¹

7. Simultaneous cooperation of the valved branches (one branch allowing the filling of the underground tank, and another branch simultaneously cooperating to allow the escape to another tank of the gas displaced by the incoming *liquid* fuel, while a third branch allows uninterrupted flow of the generated gas to the house service line for burning, and still a fourth branch carries a safety relief valve to relieve excessive pressure in filling the tank or generating the gas).¹²

8. Reduced radiation surface (the heat of the earth being sufficient to generate the liquid fuel into gaseous fuel to arise into the standpipe and the fitting, it therefore chills and condenses easily. Therefore less condensation occurs with a single fitting and a single standpipe than with a number of fittings and a number of standpipes).¹³

10. Tr. 98, 131, 151, 378-380.

11. Tr. 112, 133-135, 151, 152, 379, 380, 387.

12. Tr. 109-115, 132-142, 151.

13. Tr. 94, 96, 118.

9. Eliminates much old apparatus (several separate pipes with a valve on each and each having separate openings into the underground storage tank and more exposed radiating surface and more leaks and joints, being entirely eliminated).¹⁴

B. Where the defendant after petitioner's patent has issued copies it and makes application for a patent on the single unitary fitting with an improvement thereon consisting of filter material in the dispensing branch and obtains a patent thereon, shall such offender be heard to say there is no invention in petitioner's device?¹⁵

C. Is there error in the holding of the Circuit Court that petitioner's patent has claims so broad as to present a denounceable "complete monopoly"¹⁶ which "puts a roof over the whole butane gas industry"¹⁷ where these claims are narrow and severely limited to a specific structure and easily avoided?¹⁸

14. Tr. 93-94, 96-98.

15. The defendants' patent, called the Tennant patent, copy of which is bound in the transcript at page 856.

See Tr. 698 for photograph of defendant's actual device.

16. From the opinion of the Circuit Court, Tr. 878.

17. Ibid. Tr. 874.

18. The White patent claims are shown in the transcript beginning at page 694. The claims sued on are Nos. 1, 3, 5, 11, 12 and 17; and all of these claims (except 17) require:

a. A single, unitary, hollow-bodied fitting.

b. Upstanding branches on the fitting or a requirement that they be accessible from above.

c. Valves in the branches.

d. The fitting to be connected to the top of a single standpipe.

Claim 17 is even more narrow, and it requires the fitting to carry a liquid level gauge.

REASONS FOR ALLOWANCE OF WRIT

The history of White Patent No. 2,121,675 is brief: White, Vice President of Southern Steel Company, petitioner, conceived and made a single, compact, one piece device or fitting with upstanding valved branches on it to more safely and inexpensively control butane gas fuel to be used from private underground storage tanks.¹⁹

The device was a quick and continuous commercial success. The patent issued June 21, 1938 and by the time this case was tried in Houston in October, 1940 approximately 45,000 of these devices had been sold for about Seven Hundred Thousand Dollars with sales increasing.²⁰

The respondents made a similar device comprising a single, compact, one piece device or fitting having the same number of upstanding valved branches (being four branches in each case), placed filter material in the gas dispensing branch as an improvement and obtained a patent thereon which issued to Tennant, President of Butane Gas System Company, respondent, this patent being dated June 11, 1940.²¹

Both White's device and Tennant's device have identically the same advantages, except for the filter in the latter.²²

They are both seamless, single, unitary castings, having valved upstanding branches, leak proof and safe, hollow,

19. Tr. 93-100, 694-696.

20. Tr. 116, 123, 148.

21. Tr. 856.

22. Tr. 336-337, 380-381, 389.

light weight and cheaper to make and install; and each of them displaces a multiplicity of fittings, joints, threads, pipes and openings.²³

The Krementz Case

This same state of affairs existed before; and it was reviewed by the Supreme Court in the Krementz case.²⁴ In that case the plaintiff made a unitary collar button of a single seamless piece of metal having the advantages of added strength, lightness in weight (having a hollow head), eliminating soldered joints, and making in one piece what was theretofore made in several pieces.

In that case as in the instant case the defendant obtained a patent in which he extolled the advantages of unitary and integral construction, then adopted the benefits of plaintiff's device and began making and selling it.

The instant case and the Krementz case show remarkable parallel in their essential facts; and one principle of law must necessarily govern both.

Justice Shiras, in the Krementz case declared that:

"The advantages attributed to the invention are the doing away with the soldered joints, the lightness of the hollow stem and head, as compared with buttons having solid stems and head, and the cheapness arising from the use of less material, with equal or superior strength .. ."

23. Tr. 336-337.

24. Supra. See note 4 ante.

"Krementz was the first to make a stud from a single continuous piece of metal in which the head was hollow and round in shape . . ."

"In the present instance, however, we find a new and useful article, with obvious advantages over previous structures of the kind. A button formed from a single sheet of metal, free from sutures, of a convenient shape, and uniting strength with lightness, would seem to come fairly within the meaning of the patent laws . . . Buttons made of several pieces are liable to break at the soldered joints, and it is stated by an experienced witness that the metal by the process of soldering becomes soft and liable to bend. The different pieces are set together by hand, and are not always uniform or put together truly."

"The view of the court below, that Krementz' step in the art was one obvious to any skilled mechanic, is negatived by the conduct of Cottle, the President of the defendant company. He was himself a patentee under letters granted . . . for an improvement in the construction of collar and sleeve buttons, . . . In his specification he speaks of the disadvantage of what he calls 'the common practice to make the head, back, and post of collar and sleeve buttons separate, and to unite them by solder' . . . Yet, skilled as he was, and with his attention specially turned to the subject, he failed to see what Krementz afterwards saw, that a button might be made of one continuous sheet of metal, wholly dispensing with solder, of an improved shape, of increased strength, and requiring less material."

"It was also made to appear that the advantages of the new button were at once recognized by the

trade and by the public, and that very large quantities have been sold."

Mr. Justice Shiras then quotes from the case of *Consolidated Brake Shoe Co. vs. Detroit Steel and S. Co.*, 47 Fed. Rep. 894:

"... the fact that the device has come into general use and has displaced other devices which had previously been employed for analogous uses is sufficient to turn the scale in favor of the existence of invention."

The Krementz case is authority for the proposition that unitary construction from which advantages flow is patentable invention, that commercial success evidences invention, that a defendant patenting a device embodying the principles of plaintiff's invention then making and selling only a slightly altered form thereof should not be heard to complain that there is no invention in plaintiff's device.

The law of the Krementz case has been violated by the judgment of the Circuit Court of Appeals in the instant case.

Krementz Case Continues As Law

The doctrine of the Krementz case has been recognized ever since it was announced. As late as December 29, 1941 the Court of Customs and Patent Appeals in the case of *In re. Helmond*, 124 Fed. (2d) 222 declared there was patentable invention in the making of a typewriter part

comprising a slotted rack bar with grooved side walls for tabulating purposes where the rack bar was made of a single channel-shaped piece of cold drawn metal provided with side walls having stop receiving grooves. This single piece took the place of several separate parts theretofore used. Where advantages flow from the making of a device in unitary and integral fashion invention is found. The court therefore upheld this view.

In upholding this invention the court approved the advantages claimed for it which were succinctly put as follows:

"The advantages over the prior art claimed by appellant to be possessed by the rack herein are that it was the first to meet commercial needs, its great strength, extreme simplicity, exceptional lightness and economy in manufacture."

In the Helmond case the Court of Customs and Patent Appeals is clearly following the doctrine of the Kremenz case, as it was also doing in the case of *In re. Otto*, 121 Fed. (2d) 553.

The Otto case concerns the invention of adjustable sheaves made in integral fashion to be positioned to form grooves to fit V-shaped belts. Comparable devices previously had been made of two or more parts.

The court declared (at page 555):

"This kind of device is particularly susceptible to destructive vibrations, and appellants urge that their structure, being more unitary than any other device

known to the art, will stand stresses and strains without injury, and that their structure possesses the merits of ease of assembly and cheapness of manufacture. We see no reason to question the contentions of appellants in respect to the good results flowing from their invention."

"... Something more has been accomplished than merely making one piece out of two. One piece has been made of two under circumstances where beneficial results admittedly are obtained and, in our opinion, bringing about these results required more than the exercise of mere mechanical skill. It seems to us that in the light of appellants' teaching the structure of the sheave itself has not only been improved but that its durability and ruggedness will result in a great saving in the life of belts used upon the device. The rapidly recurring stresses placed upon a structure built of more than one part unquestionably would frequently bring about a certain looseness or separation of the parts which would affect the life of the belt."

The court in the Otto case then cites as authority and quotes from the Supreme Court of the United States in the case of *Krementz vs. S. Cottle Co.*, recognizing it as law.

Likewise the Court of Customs and Patent Appeals reiterated the doctrine of the *Krementz* case in the proceedings reported as *In re. Both*, 46 Fed. (2d) 362, approving the invention of a unitary, one piece, electric outlet receptacle which would be safe, economical and easy to install, displacing old devices made of separate parts usually cemented together.

The doctrine of the Krementz case is again fully recognized by the Court of Customs and Patent Appeals in the case of *In re. Wickersham*, 75 Fed. (2d) 214 in which it was held to be patentable to unite the housing and main frame of a threshing machine into a unitary and substantially rigid shell-like construction, because the inventor had succeeded in eliminating the multiplicity of beams, struts and girders which had previously been considered necessary, and thus effected great economies in production.

The Sixth Circuit Court of Appeals reasserted the doctrine of the Krementz case in *Canada vs. Michigan Mal-leable Iron Co.*, 124 Fed. 486, that Court declaring (at page 493) :

“While it is true that there is no invention in making into one whole that which was before in the same form, but in detachable parts, when there is no further consequence, yet it is also true that, if such change produces a more useful result, there may be a quality of invention in making it.”

The Circuit Court of Appeals for the Seventh Circuit in *Pyle Nat. Co. vs. Lewin*, 92 Fed. (2d) 668, cites the Krementz case as authority for upholding a patent that had to do with a one piece adaptor for oval ducts carrying electric wires in a wall, the earlier devices having been made in several pieces, and the new device presenting advantages thereover.

The doctrine of the Krementz case has been readily and steadily accepted as law throughout the nation; and your petitioner believes it to be the law just as the courts above

cited believe it to be the law; and other courts believe it to be the law, including the courts which followed it in the following cases:

Beer vs. Waldrige, 100 Fed. 465, being a pronouncement of the Second Circuit Court of Appeals.

Star Brass Works vs. Gen. Elec. Co., 111 Fed. 398, being a pronouncement of the Sixth Circuit Court of Appeals.

The Supreme Court of the United States has cited the Krementz case with approval as late as 1934, this being in the case of *Smith vs. Snow*, 294 U.S. 1, and on other occasions.

Defendants Concede Invention By White

Tennant, President of Butane Gas System Company, respondent, obtained a patent on the essential structure of White's device *with filter material added*, thus "paying the tribute of imitation" denounced by Justice McKenna in the case of *Diamond Rubber Co. vs. Consolidated Rubber Tire Co.*, 220 U.S. 428 (441), 31 Sup. Ct. 444, 55 L. Ed. 527, which opinion of the Supreme Court is referred to in the case of:

G. H. Packwood Mfg. Co. vs. St. Louis Janitor Supply Co., 115 Fed. (2d) 958, a pronouncement of the Circuit Court of Appeals for the Eighth Circuit in the year 1940 in which Justice Sanborn said:

"Defendant is in a poor position to urge lack of invention. Dudley whose patent covers the accused

device, considered that such a combination of elements as Packwood first, and Dudley later, disclosed involved invention. The adoption by Dudley and by the defendant of the Packwood Combination, or what is its substantial equivalent, was a sincere tribute to Packwood's discovery (*Strong-Scott Mfg. Co. v. Wel-ler*, 8 Cir., 112 F. (2) 389, 395, and cases cited) and *was in the nature of a concession that Packwood had made an advance in the art which possessed both novelty and utility.* *Diamond Rubber Co. vs. Consolidated Rubber Tire Co.*, 220 U.S. 428, 441, 31 S. Ct. 444, 55 L. Ed. 527. Moreover the Patent Office twice ruled that such a combination involved patentable invention—once when it granted the patent to Packwood, and, the second time, when it granted the patent to Dudley.”

Thus we find the courts following the doctrine of the *Krementz* case which is to the effect that one who copies the invention of another, and who has himself obtained a patent embodying the general benefits found in plaintiff's invention should not be heard to complain that there is no novelty or utility shown in plaintiff's patent.

Judge Coxe of the Second Circuit Court of Appeals speaking in *David vs. Harris*, 206 Fed. 902 says that such circumstance “makes the defense of lack of novelty and invention come with rather poor grace from one who is asserting that even after the complainant's patent there was still room for invention”.

In the case of *Mallinckrodt vs. Squibb*, 6 Fed. Supp. 173, the court cites the *Diamond Rubber Co.* case and Justice McKenna, and there says:

"The defendant, under such circumstances, could hardly be heard to dispute the validity of plaintiff's patent." *David vs. Harris* (C.C.A.) 206 F. 902; *Hiler Audio Corp. vs. Gen. Radio Co.* (D.C.) 26 F. (2d) 475".

White's Patent Makes No Monopoly

The Circuit Court in the instant case has claimed "monopoly". The kind of monopoly denounced by the anti-trust laws is that which withholds from the people something they once had or which belonged to them and was taken away, such as natural resources. An inventor, however, produces something new and useful and not known before; and he gives it to the world to enrich and benefit mankind after the relatively brief time of seventeen years within which he is privileged to attempt some commercial success. The inventor through the patent system gives; he does not take away.²⁵

25. Mr. Justice Roberts in the case of *United States vs. Dubilier*, 289 U. S. 178, 186; 77 L. Ed. 1114, 1118, declared that:

"Though often so characterized a patent is not, accurately speaking, a monopoly, for it is not created by the executive authority at the expense and to the prejudice of all the community except the grantee of the patent . . . the term connotes the giving of an exclusive privilege for buying, selling, working or using a thing which the public freely enjoyed prior to the grant. (Citing Webster's New International Dictionary: 'Monopoly'.) Thus a monopoly takes something from the people. An inventor deprives the public of nothing which it enjoyed before his discovery but gives something of value to the community by adding to the sum of human knowledge."

Seymour v. Osborne, 11 Wall. (78 U. S.) 516, 533, 20 L. Ed. 33.
United States v. Bell Telephone Co., 167 U. S. 224, 239, 42 L. Ed. 144.
Paper Bag Patent Case, 210 U. S. 405, 424, 52 L. Ed. 1122.

However, the best answer to this claim of the learned Circuit Judge is that the claims of the White patent in suit are easily avoided. They are narrow and specific claims limited to a particular construction. For instance:

The intergral branches on the fitting have to be *upstanding*; or they have to be accessible from above; and if they were made horizontal there would be no infringement.²⁶

The fitting itself must be unitary and integral; that is, it must be made in one piece.²⁷ To make it in two or three pieces, screwed or bolted together, would avoid the claims.

The fitting must be mounted on a single standpipe.²⁸ To make this fitting in two parts and to mount one part on one standpipe and another part on another standpipe would successfully avoid the claims.

It is unreasonable to think with Judge Hutcheson of the Fifth Circuit that the White patent works a "complete monopoly" on the butane business and "puts a roof over the whole butane gas industry" where the White claims are so very narrow and so easily avoided.

Grinell Case Not In Point

Judge Hutcheson in the instant case appears to find authority in the case of *Grinell Washing and Machine Co. vs. Johnston Co.*, 247 U.S. 426, and on this authority he says the White patent is a mere aggregation. The Grinell

26. See claims 1, 3, 5, 11 and 12 of patent in suit, Tr. 694-696.

27. See claims 1, 3, 5, 11, 12 and 17 of patent in suit, Tr. 694-696.

28. *Ibid.*

case is not in point because in that case although the wringer was mounted on the washing machine it only continued to wring clothes exactly as before and the washing machine continued to wash exactly as before and there was no cooperative relation between these parts and no new benefits flowed from the combination such as have made the White device such a striking commercial success.

The facts of the Grinell case show that there was a true aggregation. That case simply holds that once a mere aggregation is found to exist then the patent will not be sustained even though the aggregation, with parts separately functioning and without interdependence or cooperative relation therebetween, is more convenient and economical.

The advantages of the White device have been liberally attested to by the buying public and conceded by the defendants besides which the cooperative relation and interdependence of function by the various branches and elements of the White device absolutely preclude the thought that it is a mere aggregation.

The upstanding branches in the White invention form a protective ring about the gauge and glass in the center of the top of the fitting.²⁹ Such protection can be illustrated by the upstanding fingers of a half closed hand, in the palm of which rests an open face watch, so that the crystal and watch are protected by the fingers.

29. Tr. 114, 151.

See drawings of White patent in suit, Tr. 688-692.

The White device is infinitely more safe than its predecessors and prevents leakage and explosion of the volatile and inflammable butane gas. White's one standpipe replaced many small, weak pipes which were easily broken.³⁰ Butane gas attacks pipe joint compound and the joints and threads spring aleak.³¹ White eliminated a multiplicity of threads and joints (using only one connection to the tank) and this prevented fire hazards and promoted safety.³²

The advantages possessed by the White device are advantages that never existed before his invention thereof and by their very nature could not exist in the multiplicity of parts which his invention displaced. The cases determining a device to be mere aggregation because its several parts when brought together have no new or different benefit or result are not in point when cited against the instant case because such is not the fact here. White's advantages are new and arose when he made his device; and this is obvious.

The defendants never denied the advantages of the White invention. Instead they appropriated them.

30. Tr. 98, 377-381.

31. Tr. 96-97, 387.

32. Tr. 93-94, 97, 99-100, 109-110, 378-379, 386-387.

Public Concern

This case presents one phase of a great public question with which the people are becoming increasingly concerned, even alarmed. The question:

Is the American patent system under judicial sentence of death?

Is the new philosophy of patent law to be found in Judge Hutcheson's opening remark on the submission of this case last November when, before a word was uttered by either counsel by way of argument, he observed from the bench that: "This court is rough on patents"?

At least it can be truly said that his written opinion in this case exemplified his remark.

There are those who are concerned lest the courts destroy the patent system; and this concern is not limited to inventors, manufacturers and lawyers; the public is concerned.

Witness the recent editorial in the issue of Collier's Magazine for January 10, 1942.³³

S. Augustus Demma, of New York, has an article in the January, 1942 issue of the Journal of the Patent Office Society entitled "Courts Favor the Superman".³⁴

In a recent letter to the Patent Bar of Chicago Honorable Evan A. Evans of the United States Circuit Court

3. Entitled: "Fifteen To Nothing", on p. 54 of that issue.

4. Vol. 24, No. 1, p. 32 et sequa.

of Appeals for the Seventh Circuit presents statistical data showing that between October, 1936 and March, 1941 the percentage of patent cases considered by the Fifth Circuit Court of Appeals and held invalid or not infringed amounted to exactly 100 percent, that is, *all of the cases considered*, a situation fortunately not found in any other circuit.

Many people are much concerned with this question; and its answer will affect all the people in a land long bountifully blessed with the fruits of encouraged invention.

Invention To Be Encouraged

But for the wise and beneficial provisions of the Constitution³⁵ directing Congress to promote the progress of science and the useful arts, and the laws made in conformity therewith creating the American patent system to reward, even though for a brief time, the patience and toil and research of the inventor, this nation could never have known the vastly generous industrial society wherein the inventor's handiwork has so plentifully blessed our people, increased our creature comforts and raised our level of living. The patent system has been a help and not a hindrance to this nation.

35. Art. 1, Sec. 8, par. 8.

In his argument in the Goodyer Rubber case³⁶ Daniel Webster says that:

"The Constitution *recognizes* an original, preexisting, inherent right of property in the invention and authorizes Congress to secure to inventors the enjoyment of that right . . . Upon acknowledged principles, rights acquired by invention stand on plainer principles of natural law than most other rights of property."

Recently President Roosevelt issued an executive order³⁷ establishing the National Patent Planning Commission in which he directed the Commission to consider "what methods and plans might be developed to promote inventions and discoveries which will increase commerce, provide employment, and fully utilize expanded defense industrial facilities during normal times."

On January 2, 1942 Secretary of Commerce, Jesse Jones, announced the personnel of the Commission and called them to meet in Washington within two weeks, saying, among other things that:

"For more than a century, American industrial development has been encouraged, inventions have been stimulated, and both industry and our people have benefited by the protection which our patent system has afforded American Genius."³⁸

36. Goodyear vs. Day, Fed. Cas. 5569; 2 Wall. Jr., 283, set out in "Writings and Speeches of Daniel Webster", Nat. Ed. 1903, Vol. 15, pp. 437- 472.

37. Dec. 12, 1941; 6 Fed. Register 6441.

38. Journal of the Patent Office Society, Jan., 1942, Vol. 24, No. 1, p. 17.

On November 24, 1941 Conway P. Coe, Commissioner of Patents, delivered a nationwide radio address which he concluded with the following statement:

"Very fortunately for the American people, as I have briefly indicated to you, the highest authority in our Government—The President himself—has a clear and complete understanding of the necessity for the partnership of science and invention to protect and preserve American freedom. He and his associates have taken the steps required to assure that union. I trust that I may be pardoned for a sense of pride in my association with the patent system, which has for so long prompted and promoted the discoveries and inventions that have brought us prosperity in the past and that are so confidently expected to afford us protection and ultimate victory in the war that now menaces us. That system of encouraging, safeguarding and rewarding inventors is vindicated by history already written and will, I predict, be justified again in the present crisis. It will produce new ways of winning, whether in the arts of peace or in the strife of war."³⁹

Recently the National Association of Manufacturers commemorated the 150th anniversary of our patent system by honoring some five hundred living inventors and research workers.⁴⁰

The general welfare requires that invention be encouraged, in the present as in the past. Great has been the

39. Journal of the Patent Office Society, Vol. 24, No. 1 at p. 14.

40. Among those so honored was White, the inventor of the patent in suit "for work done in the liquified petroleum industry", Tr. 275. Also, Journal of the Patent Office Society, Vol. 24, No. 1 at p. 34.

benefit to our people from such encouragement. To strike down the doctrine of the Krementz case as here attempted by the Fifth Circuit Court would remove one of the strong foundation stones from under the structure of the American patent system. The cases cited show that the doctrine sought to be preserved here was formulated by the Supreme Court and thereafter sanctioned by it and later widely followed by the lesser courts. The future of our industrial might and wealth as a nation is vastly enhanced by the continued appreciation of a wise government for the valued contributions of its inventors; and their contributions are increased and their further efforts encouraged when they may continue their faith in this beneficent doctrine of the Supreme Court.

Wherefore, your petitioner further respectfully prays for this Court's most gracious writ of certiorari.

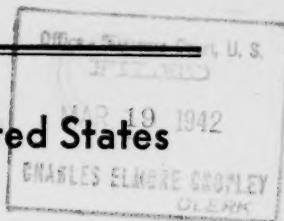
Respectfully submitted,

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Supreme Court of the United States
OCTOBER TERM, 1941



No. **1012**

SOUTHERN STEEL COMPANY,

Petitioner,

v.

BUTEX GAS COMPANY AND BUTANE GAS SYSTEM
COMPANY,

Respondents.

**ANSWER OF RESPONDENTS TO PETITION FOR
WRIT OF CERTIORARI**

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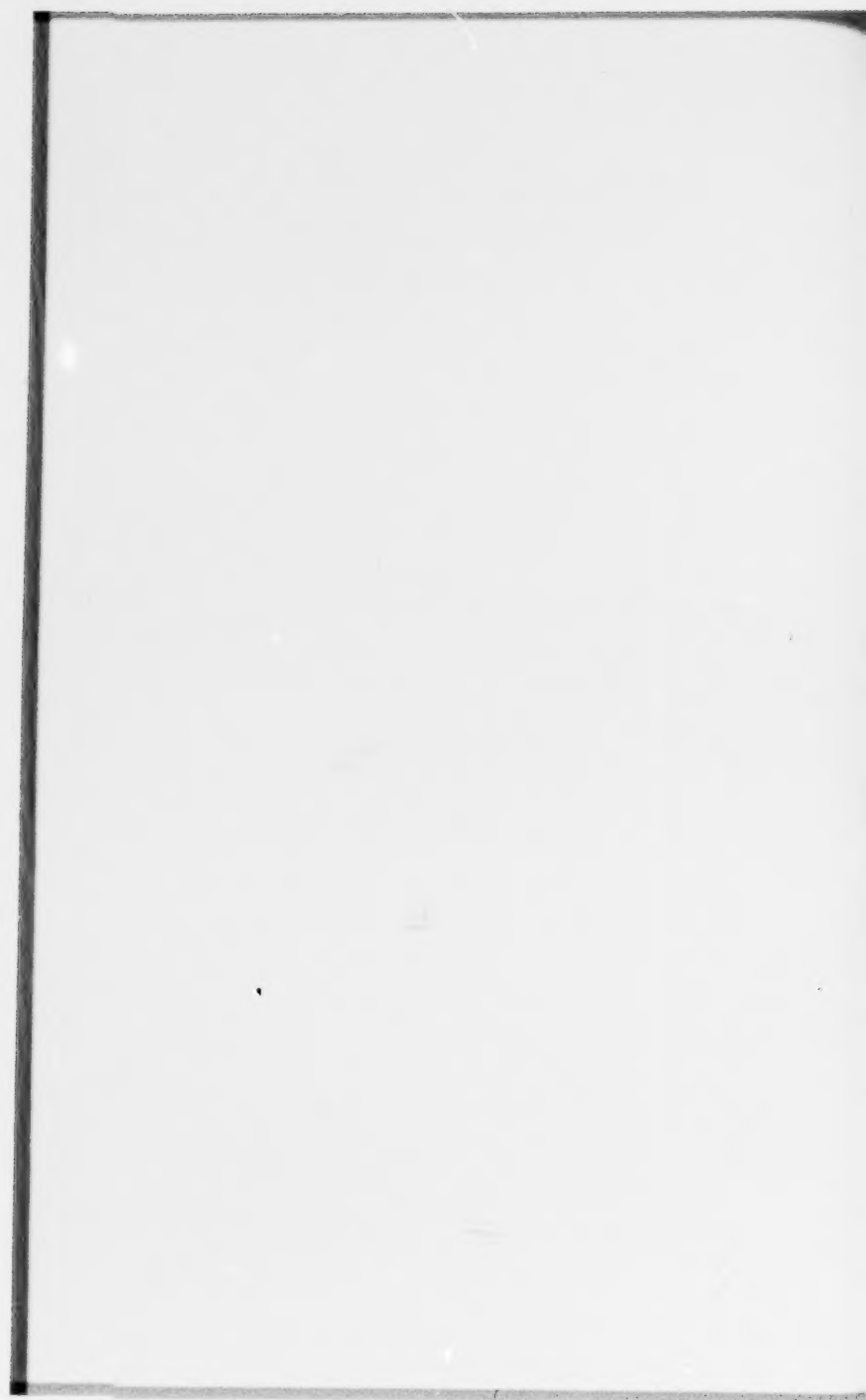


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**ANSWER OF RESPONDENTS TO PETITION FOR
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*To the Honorable, the Chief Justice, and Associate
Justices of the Supreme Court of the United States:*

On petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Fifth Circuit, respondents, Butex Gas Company and Butane Gas System Company, by their attorney appearing specially, answering the petition herein filed by Southern Steel Company for a Writ of Certiorari, respectfully pray that the petition be dismissed for the reasons that:

The petition fails to set forth sufficient ground for granting review by certiorari and therefore, this Court has no jurisdiction;

The case in an ordinary patent infringement suit and there have been no conflicting decisions between Circuit Courts of Appeals;

The case involves no principles, the settlement of which are of importance to the public;

The petition merely requests a review of the question of invention, as decided by the Circuit Court of Appeals for the Fifth Circuit; and

Contrary to the allegation in the petition, the decision of the Circuit Court of Appeals for the Fifth Circuit is based solely upon and is not contrary to the decisions of this Honorable Court, as is fully set forth in the opinion.

JURISDICTION

The petition alleges that this Court has jurisdiction because the decision of the Fifth Circuit Court is in conflict with the law established by the Supreme Court in the case of *Krementz v. S. Cottle Co.*, 148 U. S. 556, 37 L. Ed. 558, and because the question involved is important on the ground that the decision of the Circuit Court is contrary to the philosophy of the American patent system. There is no allegation that there have been conflicting decisions in Circuit Courts of Appeals and neither is there any allegation that the principles involved are important to the public interest. It might also be noted that there is no showing in the petition that an infringement suit cannot be brought by the petitioner in another circuit and no reasons are given as to why the petitioner has not proceeded with such suit in another circuit.

Rule 38, Subdivision 5, of the Rules of the Supreme Court of the United States clearly sets forth that "a review on writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only when

there are special and important reasons therefor." Paragraphs (a), (b) and (c) of this rule set forth certain conditions which although not controlling indicate the character of reasons which are considered sufficient to grant review. Paragraph (a) relates to a decision of a Federal question by a State Court while paragraph (c) relates to the decision of a question by the Court of Appeals of the District of Columbia and obviously, neither of these paragraphs is pertinent to the present issue. Paragraph (b) of subdivision 5 of this rule lists several reasons which would permit review but a consideration of this paragraph, with which this Court is undoubtedly familiar, makes it evident that the reasons which the petitioner herein assigns as ground for review are not included.

Actually, the petitioner bases his right to a writ of certiorari on the fact that the decision of the Circuit Court of Appeals is in conflict with a particular case, *Krementz v. S. Cottle, supra*, decided in 1893 and which case involved an entirely different set of facts. The petitioner's reason as to the question involved being important because the decision is contrary to the philosophy of the American patent system is not clear and apparently, the petitioner means that the decision is contrary to its personal interest in the patent which was declared invalid.

It is respectfully submitted that the grounds upon which the petition is based are wholly insufficient and inadequate.

AN ORDINARY PATENT CASE

The present case is an ordinary patent infringement suit and there have been no conflicting decisions between

Circuit Courts of Appeals. The petitioner has not exercised its right to bring a suit in another circuit in an attempt to sustain the validity of its patent and neither has the petitioner assigned any reason for not doing so. It has long been established in this Court that ordinary patent cases involving questions of invention and infringement are not subject to review by writ of certiorari.

In the case of *Keller v. Adams-Campbell Co.*, 264 U. S. 314, decided April 27, 1924, this Court said, at page 319:

"Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of Circuit Courts of Appeals on the same patent."

In the case of *Layne & Bowler Corp. v. Western Well Works*, 261 U. S. 387; 67 L. Ed. 712; 43 S. Ct. 422; decided April 9, 1923, at page 388:

"This is an ordinary patent case. There was no reason for granting the application for a writ of certiorari except upon the ground that the Circuit Courts of Appeals for the Fifth and Ninth circuits had differed in respect to validity and scope of the patent and that uniformity required a decision."

Upon consideration, the Court found there was no conflict and dismissed the writ, saying at page 393:

"If it be suggested that as much effort and time as we have given to the consideration of the alleged conflict would have enabled us to dispose of the case before us on the merits, the answer is that it is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties and in cases where there is a real and embarrassing conflict of

opinion and authority between the Circuit Courts of Appeals. The present case certainly comes under neither head." (*Italics ours.*)

As late as May 2, 1938, this Court affirmed the law of the *Keller v. Adams-Campbell Co.* and the *Layne & Bowler Corp. v. Western Well Works* cases. In *General Talking Pictures v. Western Electric Co. et al.*, 304 U. S. 175; 82 L. Ed. 1273; 58 S. Ct. 89; decided May 2, 1938, it was said at pages 178, 179:

"Nor would the writ (of certiorari) be granted to review the questions of anticipation and invention that petitioner argues, for as to them there is no conflict between decisions of Circuit Courts of Appeals."

Thus, it is apparent that it is a pre-requisite to the granting of a writ in the ordinary patent case that there be either a conflict of decisions between Circuit Courts of Appeals or the case must involve important principles of public welfare. Since no such situation exists in the present instance, the petition is without adequate grounds.

In certain patent cases, this Court has granted certiorari when the question presented is of unusual public importance or where the entire industry which might be affected by the patent is located in one circuit so that litigation in other circuits would not be likely to occur. Such a case is that of *Exhibit Supply Co. v. Ace Patent Corporation*, decided February 2, 1942, 52 U. S. P. Q. 275. In this case, speaking through Mr. Chief Justice Stone, the Court said:

"Although there is no conflict of decision, petitions were granted because of questions presented and because industry affected by the patent is located in one circuit so that litigation in other circuits resulting in conflict of decision is unlikely."

No unusual circumstances surround this case and the question presented is merely one of invention. There is no showing that the case involves any principles, the settlement of which are important to the general public or to public welfare. The petition under the head of "Public Concern" proceeds from the premise that because the Fifth Circuit of Appeals held the patent invalid much public concern has arisen. There is no argument but that invention should be encouraged and this Court, as well as all other courts, have recognized that fact. However, when a Circuit Court following the well established law, as set down by the Supreme Court, holds a patent invalid in a well considered opinion, such as Judge Hutcheson wrote in the present case, this in itself, does not raise any question of public welfare or concern, as petitioner contends.

DECISION OF FIFTH CIRCUIT COURT OF APPEALS

A reading of the decision of the Fifth Circuit Court of Appeals [123 Fed. (2d) 954] shows that the Court fully considered the patent and also gave due weight to the lower court's finding of invention. Referring to the case of *Sanitary Refrigerator Co. v. Winters*, 280 U. S. 30, 31, 50 S. Ct. 9, 74 L. Ed. 147, Judge Hutcheson's opinion stated:

"The presumption of patentability which attends the grant of a patent cannot survive in the face of undisputed facts showing that there is no invention."

The patent was held invalid solely on the ground of aggregation and at page 956 the following appears:

"It is sufficient to say that in the state of the gas dispensing industry, to substitute one stem or riser with a unitary fitting, carrying the necessary fittings,

valves, etc., on it for the two, three or four, stems or risers already in use, is not invention. * * *

In arriving at this conclusion, the Circuit Court was guided by the rule laid down in *Grinnell Washing Machine Co. v. Johnson Co.*, 247 U. S. 426.

By the patentee's own admission, his contribution consisted of taking a number of old valves which had previously been mounted, each on one pipe, and assembling all of these old valves on a single unitary fitting, whereby said valves are supported in close relationship and are conveniently accessible. When so assembled, each valve functioned in the same way in which it had always functioned and there was no new result or no coöperation between the elements.

The only advantages, pointed out on pages 3 to 5 of the petitioner's brief, are that the new assembly is stronger, allegedly safer and more economical. These advantages alone are not sufficient to constitute invention. Merely bringing together a combination of old devices is not patentable and it was so held in the recent case of *Cuno Engineering Co. v. Automatic Devices Corporation*, decided November 10, 1941, 51 U. S. P. Q. 272. In this opinion, delivered by Mr. Justice Douglas, this Court stated at page 275:

"We may concede that the functions performed by Mead's combination were new and useful but that does not necessarily make the device patentable. Under the statute (35 U. S. C., paragraph 31; R. S., paragraph 5886) the device must not only be 'new and useful,' it must also be an 'invention' or 'discovery.' *Thompson v. Boisselier*, 114 U. S. 1, 11. Since *Hotchkiss v. Greenwood*, 11 How. 248, 267, decided in 1851, it has been recognized that if an improvement is to obtain

the privileged position of a patent more ingenuity must be involved than the work of a mechanic skilled in the art. *Hicks v. Kelsey*, 18 Wall. 670; *Slawson v. Grand St. R. R. Co.*, 17 Otto 649; *Phillips v. Detroit*, 111 U. S. 604; *Morris v. McMillin*, 112 U. S. 244; *Saranac Automatic Machine Corp. v. Wirebounds Patents Co.*, 282 U. S. 704 (8 U. S. P. Q. 115); *Honolulu Oil Corporation v. Halliburton*, 306 U. S. 550 (41 U. S. P. Q. 177). 'Perfection of workmanship, however much it may increase the convenience, extend the use, or diminish expense, is not patentable.' *Reckendorfer v. Faber*, 2 Otto 347, 356-357. The principle of the *Hotchkiss* case applies to the adaptation or combination of old or well known devices for new uses. * * *

In the foregoing case, reference was also made to the case of *Atlantic Works v. Brady*, 17 Otto 192, 200 wherein it was held that every small improvement or change in equipment which is the result of mechanical skill is not invention.

The decision of the Fifth Circuit Court of Appeals was based on the fact that what the patentee had done did not constitute invention but was mere aggregation and this conclusion is fully supported by numerous Supreme Court cases in addition to the *Grinnell* case, *supra*.

In *Sanford Investment Co. v. Enterprise Wheel and Car Corp.*, 52 U. S. P. Q. 459, the District Court referred to the law of aggregation as established by the Supreme Court and at page 464, said:

" 'Aggregation' is not 'invention.' It seems to me that Stow produced no new combination of elements in any of his cars, but simply aggregated into each of his several structures a number of earlier devices and inventions of others, which performed only their usual and customary function. *Richards v. Chase Elevator Co.*, 158 U. S. 299, 39 L. Ed. 991; *Powers-Kennedy*

Corp. v. Concrete Co., 282 U. S. 175, 75 L. Ed. 278 (7 U. S. P. Q. 122); Toledo Pressed Steel Co. v. Standard Parts, Inc., 307 U. S. 350, 83 L. Ed. 1334 (4 U. S. P. Q. 593)."

Obviously, the opinion handed down by the Circuit Court in this case is in full conformity with the law established by the Supreme Court.

THE KREMENTZ CASE

The primary reason for the petition is based on alleged conflict of the Circuit Court's decision with the case of *Krementz v. S. Cottle, supra*. An examination of the *Krementz case* shows that the patent involved an article which was a collar button. There was no question of a combination of old elements which might constitute an aggregation and the main point in the case was whether or not it involved invention to form a collar button having a hollow head and stem, and of an improved shape, from a single continuous plate of sheet metal. Admittedly, prior to the patent involved in the *Krementz case*, no one had done this and the sole question was whether such an article represented an advance in the art. Aggregation of old elements was not involved.

In the present case, the question was whether or not a patentable combination was created when a number of old valves which had been previously assembled, each on one pipe, were all mounted on one head and on one pipe. In the *Krementz case* the question was one of invention, whereas in the present case, the question is whether or not it required invention to mount a number of old valves on one head, such mounting having nothing to do with the

function or operation of the valves which all operated in identically the same manner in which they had previously operated when each was mounted on its own individual support.

It is manifest that the facts of the *Krementz case* differ from the facts here and the law set forth in said case is not applicable. Therefore, it follows that the Circuit Court's decision is not in conflict with the *Krementz case* as alleged.

SUMMARY

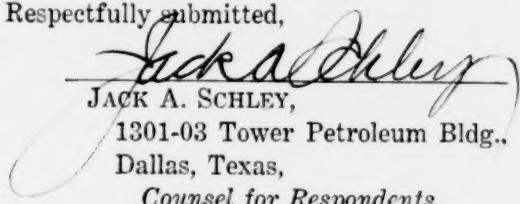
Analyzing the petition, it will be evident that such petition merely requests a review of the question of invention. As was said in the case of *Magnum Company v. Coty*, 265 U. S. 597, 68 L. Ed. 1199, 44 S. C. 457:

"The jurisdiction to bring up cases by certiorari from the circuit courts of appeals was given for two purposes; first, to secure uniformity of decision between these courts in the nine circuits, and second, to bring up cases involving questions of importance which it is in the public interest to have decided by this Court of last resort. *The jurisdiction was not conferred upon this Court merely to give the defeated party in the circuit court of appeals another hearing.*" (Italics ours.)

It is submitted that the petition is merely a request for another hearing on the question of invention. There have been no conflicting decisions in Circuit Courts of Appeals, and no unusual or important questions which affect the public interest, are involved. The petition fails to set forth sufficient and adequate grounds which would warrant this Court granting said petition.

WHEREFORE, the respondents respectfully pray that the petition be dismissed with costs.

Respectfully submitted,



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